

New Hampshire Department of Revenue Administration

Fiscal Impact Quick Guide*

12-2134.0

HB 1201, *relative to the assessment of property taxes on Pinkerton Academy.*

House Municipal and County Government Committee

This bill proposes to subject the land and buildings of Pinkerton Academy in Derry, New Hampshire to property taxation under RSA chp. 72, beginning with the tax year beginning April 1, 2013.

The bill as drafted appears to violate the Equal Protection Clause of the Constitution. Taxes may not be laid upon an individual, rather, may only be laid upon a class of property. While taxing one educational property, other educational property would continue to enjoy exemption under RSA 72:23, IV. “Distinctions in tax treatment must rest upon reasonable classifications of property, not upon classifications of taxpayers owning a common class of property.” Opinion of Justices, 132 N.H. 777 (1990) citing Opinion of Justices, 115 N.H. 306 (1975). The Department suggested a review by a constitutional lawyer should be performed on this bill.

If enacted, abatement of these taxes would be almost certain. Even assuming that the taxes could be assessed against this property, it would not impact the revenue to the Town of Derry. It would reapportion the tax burden amongst the other taxpayers within the town.

**A Fiscal Note was not published by the LBA on this bill. Therefore, this Quick Guide is simply an informal fiscal impact statement prepared by the Department of Revenue Administration.*